

REFERENCE



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REPORT

—OF THE—

Legislative Committee

—OF THE—

British Columbia Fruit Growers' Association

(MARCH 1st, 1913)

—AND—

SUPPLEMENTARY REPORT

(APRIL 28th, 1913)

Ottawa, March 1st, 1913.

W. C. Ricardo, Esq.,
President B. C. Fruit Growers' Association,
Vernon, B. C.

Dear Sir,—

Your Committee appointed to discuss our fruit growing conditions with the authorities at Ottawa begs leave to report as follows:—

CONSTITUTION OF COMMITTEE

The Members of the British Columbia Fruit Growers' Association in Annual Convention at Victoria, B. C., passed a resolution empowering the Executive to appoint a Committee, styled the Legislative Committee, to assist in giving effect to the resolutions passed by the Association for the consideration of our Legislative bodies at Ottawa and Victoria.

At a meeting of the Executive following, the Executive appointed Messrs. Palmer, Abriel and Foggo to be such Committee. It was found impracticable for Mr. Palmer to go to Ottawa and Messrs. Foggo and Abriel, with Mr. Winslow,

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appointed by the Department of Agriculture, made arrangements to proceed to Ottawa.

This Committee was appointed after consultation with the Provincial Department of Agriculture.

STANDING COMMITTEE ON AGRICULTURE

Just as your delegates were preparing to proceed to Ottawa, a telegram was received from Mr. A. E. Horton, Clerk of the Standing Committee on Agriculture and Colonization, asking the Provincial Fruit Growers' Association to name a representative to appear before that Committee at Ottawa at an early date to give evidence on the conditions of the fruit industry of the Province. You delegated Mr. Foggo to fulfil this mission.

OBJECT OF LEGISLATIVE COMMITTEE'S WORK

On numerous occasions in the several years just past this Association has decided on various matters relating to the fruit industry involving attention by the Provincial and Dominion Governments. No organized effort has been made to give effect to these resolutions, or generally to ensure that the representatives of the people were fully acquainted with the conditions under which the industry might be laboring. For instance, the Association has passed resolutions in previous years in favor of an increased duty on imported fruit. It has also passed resolutions in favor of increased aid to Agricultural Associations. The members feeling that not enough had been done to secure attention to their views, decided upon a Committee as a means of securing the requisite attention.

Your Committee was charged with enforcing your views on several different subjects as embodied in resolutions passed at the annual meeting.

First of these was with regard to the enforcement of the Fruit Marks Act. Your resolutions called for the marking of American fruit with the grade marks required by law on Canadian fruit; the erasure of American grade marks and a more rigid enforcement of the Act with respect to the imported fruits, the object of the whole being to secure a fair and equitable competition in this competitive market. Your Committee was also instructed by the Executive to press for inspection fees on imported fruit as the Canadian fruit grower was already paying for inspection in his taxes from which the American grower was, of course, exempt. Further, it is reasonable that the Government be recouped

for necessary delay in administering the Act; and it would be only fair that the fruit that causes such cost should bear a just proportion of such outlay. British Columbia charges a fee for inspection of imported cars of fruit.

In 1912 and to a certain extent in previous years, much American fruit had been dumped on the Canadian market at slaughter prices. Your Committee was to learn what could be done to prevent this and to secure the necessary regulations from the Ottawa authorities, if a practicable remedy were found.

Your Committee was also instructed to ask for increased duties on fruits so that our tariffs should be at least as high as the tariff on our fruit entering the United States, and as high as the tariffs charged on our fruit imported into other protected countries, e.g., Australia, our protective tariff being 13 cents per box, other countries charging 25 cents per box.

Among the resolutions forwarded to the Dominion Department of Agriculture by your Association was the resolution calling for quarantine legislation by the Dominion Government, and it fell to your Committee to press this matter along with the others.

Your Committee left British Columbia February 18th, and reached Ottawa on the morning of February 23rd. As a preliminary to our work we met the Honourable Martin Burrell, Minister of Agriculture, who immediately took the necessary steps to put the Committee in touch with the Government and with the Agricultural Committee. By him we were introduced to Mr. White, the Minister of Finance, and to Dr. Reid, the Minister of Customs. We also met Mr. Horton, Secretary of the Standing Committee on Agriculture, learned of the procedure adopted in that Committee, the date and hour of the meeting on the following Tuesday and, what was of greatest assistance, secured copies of the evidence given by the Ontario and Nova Scotia delegates some weeks before. By the courtesy of Mr. Burrell and on the invitation of Dr. Klotz, the Chairman, we attended the Canadian Club dinner to hear Dr. G. C. Creelman, President of the Ontario Agricultural College, who delivered a remarkable address on "The New Agriculture." Aside from the valuable and interesting information contained in the address and apart from the honor conferred on the members of your Committee by the invitation received, attendance at this function brought us at once in touch with the principal officers of the Department of Agriculture, including Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner; W. T. Macoun, Dominion Horticulturist; Dr. C. Gordon Hewitt, Dominion

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Entomologist; W. H. Grisdale, Superintendent of Experimental Farms; Dr. James Mills, a member of the Canadian Railway Commission and others, with several of whom appointments were immediately made.

An appointment was made with the Honourable Mr. Burrell at his office on Monday to go fully into the various matters which brought the Committee to Ottawa.

Sunday was spent in a study of the evidence submitted by the Ontario and Nova Scotia men before the Agricultural Committee and in preparing in final form the case for British Columbia to be delivered by Mr. Foggo on the following Tuesday.

Monday, the 25th, commenced with a general conference in Mr. Burrell's office at which Messrs. Macoun, Ruddick, McNeill (Chief of the Fruit Division), Dr. Hewitt and Mr. O'Halloran (Deputy Minister of Agriculture) were presented. Mr. Foggo went carefully over the situation in British Columbia, developing logically our views of the duty of the Dominion Government in respect to our fruit industry. This was followed by a full discussion of the possibilities of the various remedies proposed and resulted in much information to us.

Following the morning meeting, your Committee were the guests of Mr. Burrell at luncheon, at which there were also present Messrs. Stevens, Clements and Sheppard, members from British Columbia, Senator Lougheed, The Hon. Dr. Reid, Minister of Customs, W. T. Macoun, J. A. Ruddick and Dr. Hewitt. This furnished a much desired opportunity of bringing together the technical men of the Department of Agriculture and the British Columbia members so that they might work together on our behalf.

In the afternoon we discussed the situation fully with Messrs. Clement, Sheppard, Macoun, Ruddick, Dr. Reid, Senator Lougheed and Mr. Taylor, the M.P. for New Westminster.

In the evening we met Mr. Burrell at his office in the House of Commons. There was with him Dr. Hewitt and they presented to us the situation with regard to quarantine legislation. Mr. Stevens, M.P. for Vancouver, was present by invitation in this part of the discussion from the standpoint of the Vancouver consumers.

On Tuesday morning we met Mr. Sexsmith, Chairman of the Agricultural Committee. Commencing at 11 a.m. Mr. Foggo presented our case before the Committee; a copy of his evidence is submitted herewith.

Following the Committee meeting we met Messrs. Thornton, Douglas and Sexsmith, members of the Committee, and very much interested in the fruit industry. Mr. Burrell was present throughout the hearing and contributed to the discussion.

In the afternoon we again met Mr. Burrell in the process of working over the difficulties in connection with consignments and quarantine. Later in the afternoon we met the press men present at the hearing.

In the evening the Navy Bill was under discussion and gave us no opportunity to forward our work.

Wednesday, the 26th. In the morning we met Dr. Hewitt at the Experimental Farm, going into the legal aspects of the quarantine matter. In the afternoon we met Mr. Burrell for a short time on the same subject and also on the "dumping" clause. We went over the stenographer's copy of Mr. Foggo's evidence, made the necessary corrections and secured a copy. At this time we met Messrs. Green and Barnard, the two B. C. members not previously met. In the evening we went more fully into the fruit situation as affecting Ontario and the need of mutual assistance, with Messrs. Sexsmith and Thornton. We also made suggestions to them regarding the improvement of the work of the Agricultural Committee. We later saw Mr. Burrell who made arrangements for meeting with Mr. White, the Minister of Finance, and Dr. Reid, the Minister of Customs, for us.

On Thursday, the 27th, we spent the morning with Mr. McNeill, Chief of the Fruit Division, on the Fruit Marks Act, co-operation and agricultural credit. We lunched with Mr. R. F. Green by invitation, and at this time met Mr. Hepburn, an Ontario M.P. interested in fruit culture and also Mr. R. B. Bennett, of Calgary, the Honourable Sam Hughes, Minister of Militia, and Mr. A. S. Goodeve, a member of the Railway Commission, as well as Senator Ross of Nova Scotia.

In the afternoon Messrs. Foggo and Abriel met Dr. Robertson, head of the Conservation Commission of Canada, on various subjects connected with co-operation as affecting British Columbia. Later in the afternoon your Committee met Hon. Dr. Reid, Minister of Customs, and the Hon. Mr. White, Minister of Finance, in a lengthy interview on tariffs and the "dumping" clause.

In the evening we had to dinner Messrs. Thornton and Sexsmith in order to become better acquainted with them and their views on the Western market for Canadian fruit. We also met Mr. Lalor, a prominent Ontario apple man and Vice-President of the Dominion Caniers, and also Mr. Marshall,

M.P., President of the Dominion Canners, with whom we had an interesting and valuable hour on the canning industry in British Columbia. We also met Messrs. Wright and Boys, M.P.'s for Ontario, interested in fruit growing.

On Friday morning we met Mr. J. A. Ruddick, Dairy and Cold Storage Commissioner on cold storage, the Fruit Marks Act and the amendments we were working on; more rigid inspection, etc.

The afternoon was spent in preparing the ground work for this report, while an interim report was written out and wired to the Honourable Price Ellison, Minister of Finance and Agriculture for British Columbia at Victoria, and yourself. It was at this time that the members of the Committee agreed that it would be advisable for Mr. Winslow to go to Nova Scotia to learn at first hand of their progress and co-operation this year, the conditions of the industry and to secure a greater degree of support in our efforts to protect the Canadian market, and accordingly Mr. Scott was wired and he agreed to the proposal.

Saturday, the 1st of March, was spent in preparing this report for your consideration. We decided that Mr. Foggo should return at once to British Columbia to consult, if required, with the Executive and the Provincial Executive re quarantine legislation, and that Messrs. Abriel and Winslow should go to Nova Scotia to secure their support for our measures, return later to Ottawa to keep in touch with their progress, and, if necessary, secure from the Ontario men their co-operation also.

While the work of your Committee is therefore not entirely completed we deem it of importance to present this report at this time; a supplementary report is to be prepared by Messrs. Abriel and Winslow later.

Re FRUIT MARKS ACT AND ITS ENFORCEMENT

The resolution passed at the last annual meeting of our Association on this subject reads as follows:—

“Resolved that whereas the present method of enforcing the Fruit Marks Act against imported fruit seems entirely inadequate, and

“Whereas there are difficulties in enforcing the changing of the marks on the package after it reached the consignee, and

“Whereas it is unfair to our industry and to our shipping and marketing concerns to allow the present conditions in which they are placed to continue to exist,

"Therefore be it resolved that we respectfully petition the Dominion Government to formulate regulations making it incumbent on the shippers to comply with our Fruit Marks Act before the packages will be allowed in Canada."

It was the opinion of the Executive that something should be done in the way of inspection fees on imported fruit, and your Committee was instructed to secure this, if possible.

Your Committee cited the facts of the present situation to the Honourable Mr. Burrell and the officers charged with the administration of the Act. We showed that the British Columbia grower or shipper was expected to comply fully with the requirements of the Act, marking the package with the grade "Fancy," "No. 1," or "No. 2." The American shipper was allowed to flood our markets with fruit marked "Extra Fancy," "Fancy," or "Choice." To the informed purchaser there can be no question as to which set of designations appeals most. On the other hand, the trade and the informed purchasers who have secured the bulk of their box fruit from the United States in the past, know the American grades much better than they do ours. Again, our grade marks are the same as those used on barrels, while the inspectors insist in actual practice that car No. 2 shall be practically equal to the No. 1 in barrels; in other words, we have a good grade with a low grade designation.

With respect to the grading of barrels against boxes, the matter is one for adjustment by the inspectors, but the inspectors have so far not secured the marking of American fruit with our grade marks. The handicap is a material one. It is true that they were instructed during 1912 to have all American fruit marked with our grades but they were not compelling the erasure of the American grade marks which continued to remain on the front end of the box while the Canadian grade mark, when used, was placed on the rear end in an inconspicuous position, though apparently their superiors in Ottawa were under the impression that all old marks were erased, as in their view this was necessary under the Act as it at present stands.

In respect to the marking of American fruit, Mr. Burrell said there was some doubt as to whether it could be done under present statutes. Appreciating the injustice of the situation, he is accordingly having prepared an amendment to the Act which will require the marking of all American fruit packages before they leave the steamer or car, with grade marks required by the Act. The amendment will also require the erasure of all existing marks, while the usual penalties of

the Act may be exacted for failure to comply. The consignee is made responsible. Your committee is of opinion that with the amendment as proposed, rigidly enforced as Mr. Burrell has promised it will be, we will be placed on a fair basis. Your Committee has every expectation that these amendments will be adopted and enforced and they will provide fair competition.

With respect to the exaction of inspection fees, Mr. Burrell stated that this offered certain difficulties. There will be some opposition from the Prairies because it may be said that the price to the consumer will be increased; it will be the first time in which fees will have been exacted under the Act, and at first sight it might appear unfair to exact fees only on the imported article. On the other hand, we pointed out that the cost to the ultimate consumer would not be materially increased, and most important of all, the Canadian fruit grower in paying his taxes pays for the Dominion's inspection service. The imported fruit does not contribute to our funds in this way. British Columbia already imposes a fee for inspection.

We consider this action under the Fruit Marks Act, which will bring the American importer under like conditions and restrictions as already apply to the Canadian shipper, will certainly improve the position of the latter and tend to restrain indiscriminate consigning.

Re TARIFFS ON FRUIT

The resolution passed at the annual meeting read as follows:—

"That the tariff on American fruit entering Canada should be at least as high as the present American tariff on fruit grown in Canada, exported into the United States."

For the benefit of our members we might state that our tariffs are lower than the American tariffs in practically only one case, namely, apples, in which we pay 25 cents a box and the Americans coming into Canada pay 13 cents. Our case was therefore prepared on this basis.

In presenting the case to Mr. White, Minister of Finance, who has the making of tariffs, and to Dr. Reid, the Minister of Customs, whose Department is charged with their enforcement, our Mr. Foggo showed that our duty amounted to only about 15 per cent. on the value of the commodity, a very moderate charge indeed. The American duty against us amounts to about 28 per cent. on a similar basis. He showed that our cost of production in British Columbia amounts to from 70 to 80 cents a box while in the North Western States it aver-

ages between 40 and 45 cents a box, because of lower labor cost, lower prices for boxes and other supplies and the lower cost of living generally. In addition he showed the need of greater protection on account of disorganized marketing arrangements of the North Western States, their very rapidly increasing production without apparent available markets, the handicap we labor under in securing our own natural market which has previously been largely supplied from the American side and the younger age of our orchards which diminishes materially the production per acre.

Mr. White gave considerable evidence of a good grasp of conditions existing in British Columbia, being well aware of our high cost of production, the newness of the industry and the domination of our markets by imported fruit. He pointed out what was, in his mind, a most damaging aspect of the case in that neither Ontario nor Nova Scotia witnesses before the Agricultural Committee had stated the need for increased protection. On the other hand, he pointed out that the Government in making a change in the tariff would meet with the greatest opposition in the Prairie provinces.

Though he stated the difficulties we would have to meet in no uncertain way, Mr. White encouraged your Committee to go quite fully into the situation, of which he readily secured a very good grasp. The interview was not hurried in any way nor did there seem the slightest disposition on either the part of Mr. White or Dr. Reid to refuse anything in their power which would appear to the Government to be just and reasonable. Mr. White stated quite frankly in conclusion that he would promise us no more than impartial consideration and such action as the conditions would absolutely warrant.

In conversation with various members of the Legislature and with certain members of the Council, we learned pretty definitely that no tariff matters would be taken up this session. We heard that from many quarters there had been considerable pressure on the Government to open up the subject for immediate changes. The steel interests were especially mentioned in this connection. The Government, it would seem, realizes that to open up one tariff item will involve the consideration of hundreds of others which is impossible in this already crowded session. We learned from Mr. Burrell that on the request of the Premier there have already been withdrawn some thirty Bills proposed by the various members of the Government.

Under the circumstances, your Committee could do nothing on the tariff towards securing any immediate change, as

is obvious to all, no change in any item will be made until it has been reported upon favorably by the technical men in the service of the Department and this involves time. Realizing that the tariff must come up for consideration by this Government, probably in the session of next winter, your Committee has endeavored to lay the foundations for future success in its re-adjustment. Undoubtedly we may have to be prepared to resist increases in duties on some of our supplies; possibly we may be able to secure some reductions in duty on others. The duty on apples will probably be increased if sufficient pressure can be exerted. The Association might very well devote a good part of its energy during the present year towards preparing the case for British Columbia. We must, too, secure the co-operation and the hearty sympathy of Ontario and Nova Scotia along the same lines.

We must keep in touch with the Government in this connection and learn how best to meet the opposition of certain sections of the country and even secure their support through a realization of the burden we are carrying to protect the British Columbia market for prairie grain and hay. Your Committee is quite confident that our efforts, properly co-ordinated, will be successful.

Re THE "DUMPING" CLAUSE

The resolution passed by our Association at the annual meeting reads as follows:—

"Whereas shipments of fruit on consignment from United States points to points in Canada have had a very disastrous effect on our market, and

"Whereas the present anti-dumping clause of the tariff Act is not effective in preventing the consignment of fruit,

"Therefore, be it resolved, that a strong effort should be made to stop the dumping of American fruit into the Canadian market, and that the Dominion Government be respectfully urged so to amend the Act and regulations as to effectually penalize shipments of fruit being made on consignment into Canada."

The situation respecting the dumping clause has been as follows:—There has been a great deal of American fruit, principally peaches, plums, and similar soft fruits, shipped on consignment during August and September into the Canadian prairie markets, and to a lesser extent, the Coast markets, on consignment; as many as fifty-five car loads of such consigned fruit arrived in Calgary in twenty-four hours, while

during the first two weeks of September fifty car loads reached Saskatoon from Washington State. Other markets suffered from a similar condition. The supply was so great that only a very small portion returned living prices to the grower. In most cases he lost some money that he would have saved by letting the fruit rot on the ground. In other words, the fruit was dumped over the border into our markets regardless of the cost of production or of the possibility of finding a market for it. There was no possibility of British Columbia securing a remunerative price under these circumstances. Much fruit could not be sold at all. Much that was shipped did not pay the freight. Losses were heavy and widely distributed; the situation being almost as bad in British Columbia as in the fruit producing districts of the States. Probably six hundred car loads were shipped by consignment into Canada and perhaps several hundred more came in sold at less than the cost of production. This means eventual ruin for the grower if continued, and yet because of the disorganization in the North Western States, is extremely likely to be repeated.

Many of our fruit growers have thought that under these circumstances the dumping clause could be invoked and our markets protected. Such is far from being the case. First of all the dumping clause does not apply at all on consigned articles. Secondly, it does not apply where the selling price in Canada is less than $7\frac{1}{2}$ per cent. under the fair selling price for home consumption. Thirdly, the special duty shall not exceed 15 per cent. ad valorem. Further, the clause would not apply if the regular duty is equal to 50 per cent. ad valorem, as is the case with peaches when the market is low.

Your Committee having these difficulties in mind, took the matter up first with Mr. Burrell who had given it much consideration, then with Mr. White and Dr. Reid. We found them quite familiar with the various difficulties, as apparently the dumping clause has been very far indeed from giving satisfaction even on the commodities it was designed to protect. In fact, the dumping clause seems to be practically inoperative even under the most favorable circumstances for its enforcement.

In making our case, we were astonished to learn that neither Ontario nor Nova Scotia witnesses before the Committee have registered any complaint on the score of dumping. The case of the fruit grower has been undoubtedly very much injured by the lack of co-ordination in the recommendations to the Government. To learn whether they knew nothing whatever in Ontario of the difficulties of the Western

market this year we secured a wire from the manager of the St. Catharines Cold Storage and Forwarding Company, the largest co-operative market organization of Ontario, which reads as follows:—

"Shipped during season 1912 one hundred and eighty carloads tender fruit North West Provinces. Found market for peaches worthless owing to cars sent in on consignment from Western States. The same conditions prevailed in plums. Lesser extent. Some of their cars did not sell for full amount of duty. American pears and apples also cut prices. (Signed) Robert Thompson."

In a letter he says further: "All of these sent in on consignment, evidently dumping them in the West."

And yet, on the testimony of the Ontario witnesses before the Agricultural Committee, the chief point made was that co-operation would solve their problems. Dumping was never mentioned. It must be obvious to any fruit grower that no amount of co-operation could meet a situation like that of 1912.

In interviewing Mr. White and Dr. Reid on this subject, we endeavored to show them that if the situation were repeated in coming years, it would be but a short time before our soft-fruit growers would go to the wall. They were very much impressed by the statement we made on the subject, but informed us of the difficulties that had been found in enforcing the dumping clause even under the most favorable circumstances. On such a perishable article as soft fruits the difficulty would be greatly increased by the rapidly changing market prices. Being asked if the Government would consent to prohibiting consignments, Mr. White stated that in the experience of nations since tariffs were first devised, there had never been a case of refusal by any nation to receive any goods on consignment from a foreign country. There is no precedent for such action. So many kinds are consigned that it would work a hardship on trade generally. Your Committee can only conclude that the prohibition of consignments is impracticable and their regulation by the extension of the principles of the dumping clause is, for many reasons, equally so. It seems very likely that consignments will be prevented, if at all, not through the dumping clause or any modification of it, but in some less direct line, such as an inspection fee.

Re QUARANTINE LEGISLATION

The Fruit Growers' Association having carried unanimously the resolution calling for quarantine legislation for British Columbia, the Minister of Agriculture, and Dr. Hewitt, the Entomologist, had prepared themselves on this subject and took it up with your Committee in several sessions.

The resolution is as follows:—

"Be it resolved that this Board respectfully but very earnestly urge the Dominion Government to enact such legislation as will exclude deciduous fruits, such as apples, pears, crab apples, quinces, peaches, apricots and plums from being imported into this Province from countries, States and Provinces known to be infected with the beforementioned insect pests, or other insect pests and diseases not widely prevalent or distributed within or throughout British Columbia."

The matter had received very careful attention here, especially by Mr. Burrell and Dr. Hewitt. Dr. Hewitt pointed out that in his opinion our case entomologically was not a strong one, several pests mentioned in the preamble being semi-tropical in character and incapable of propagation in British Columbia. Others, including the bark louse, would hardly warrant quarantine measures, while the peach worm and codling moth are already to be found in our fruit-growing areas.

The Dominion authorities appear to consider that unless they proposed a general statute applying to the whole Dominion, that it does not fall to them to legislate as asked by our resolution. The Dominion would legislate against any foreign pest and its entrance into Canada as a whole if advisable, and this they have already done by Order-in-Council against the gypsy moth on conifers from the New England States. They have also passed an Order prohibiting the importation of the Mediterranean fruit fly by quarantining the Hawaiian Islands, but these Orders apply to all Canada. Similarly the United States Government by their more recently enacted legislation take similar powers. It is likely the Federal Government would quarantine any particular area in Canada affected with any new and dangerous pest so as to prevent its spread throughout the Dominion. For example, if a certain county in any Province became infected with gypsy moth, they might prevent exportation of any vegetable matter likely to carry this insect to other parts of Canada.

Apparently the individual Provinces have the right, if they so desire, to enact a quarantine law against foreign pests. An ex parte opinion from the Department of Justice to Dr. Hewitt confirms his view that such legislation would rest with the Province, and in this opinion Mr. Burrell appears to concur. For example, British Columbia has already a law providing for the inspection, fumigation and, if necessary, destruction of nursery stock and fruit in process of importation and the Dominion has never questioned the legality of this Act. Quite recently Nova Scotia has passed a law, in the drafting of which Dr. Hewitt was consulted, providing for inspection, etc., and containing an omnibus clause which, as far as the Act itself goes, does not limit the power to inspection only.

Quarantine legislation seems to be but one step forward and a logical one. This right being conceded, on being satisfied that the most rigid inspection has been and will be ineffective to protect, we could enact legislation specifically granting the power to quarantine foreign districts at discretion by Order-in-Council. Such an Act would, however, be subject to Dominion oversight; the subject is one in which to a certain extent there is concurrent jurisdiction, and in such cases the Provinces, before their Acts can become law, must submit them to the Dominion Department of Justice.

The Dominion might refuse approval of a Quarantine Act on various grounds. They might claim that inspection rigidly followed up would meet the case. They might claim too great interference with Trade and Commerce. A number of these points we have gone into with Mr. Burrell and Dr. Hewitt, and it would appear to us that this legislation will have to be most conservative and carefully guarded to secure approval here.

We wired the Honorable Price Ellison that such legislation must be extremely moderate in scope, restricting its operation to most immediate and pressing necessities. We suggest that it deal particularly with the codling moth and peach worm and that it be framed particularly with a view to enforcement against our most dangerous neighbors.

The services of Mr. Winslow and his knowledge of detail were of the greatest value to your Committee.

All of which is respectfully submitted.

(Signed) W. S. FOGGO, Chairman.
THOS. ABRIEL.

SUPPLEMENTARY REPORT

April 28th, 1913.

W. C. Ricardo, Esq.,
President B. C. Fruit Growers' Association,
Vernon, B. C.

Dear Sir.—

Your Committee beg leave to make the following Supplementary Report, dealing, first, with miscellaneous matters not dealt with by the Committee in the previous Report; with other matters taken up, following the adjournment of the Committee, by the members; and recommendations regarding future work of your Legislative Committee.

The matters are reported under a number of headings, including:—

- Co-operation;
- The Evaporated Apple Industry;
- Dominion Canners;
- Evidence of Ontario and Nova Scotia Witnesses before Agricultural Committee;
- Effects of Dumping on Ontario and Nova Scotia Fruit;
- National Fruit Growers' Association;
- Dominion Conference;
- Future Legislation desired at Ottawa;
- Recommendations for future policy for Legislative Committee at Ottawa;
- Comments on the Agricultural Committee of the House of Commons;
- Dominion Express Matters;
- The Green Apple Industry in Ontario and Nova Scotia.

CO-OPERATION

The strength and virility of the co-operative movement in Ontario and in Nova Scotia was most forcibly impressed on the members of the Committee. The movement seems to be gaining ground in many districts, and the subject was perhaps more discussed than any other subject of general conversation. The consensus of opinion appears to be that the only possible basis for a central selling agency was to be found in strong local Associations secured by legal contracts for the delivery of the fruit. Mr. McNeill's new bulletin on co-operation should be valuable in British Columbia where organization along co-operative lines is at present receiving great attention.

In Nova Scotia, the United Fruit Companies, which is the central selling agency for some twenty-six local Associations in the Annapolis Valley, are doing a remarkably large business considering that this is only the second year of their operation.

In another field the Dominion Canners have also profited by co-operation, as strikingly shown by Mr. David Marshall, their President, in our talk with him.

In Ontario, the various co-operative fruit marketing associations, while they do not have a central selling agency, pool their orders for supplies and spraying materials and distribute them from a central warehouse, which has effected a considerable saving ranging up to 25 per cent. of the cost.

Your Committee cannot sufficiently emphasize the fact that successful co-operation in the East has come as a result of the application of those business principles which have made co-operation successful in Europe and elsewhere. Ontario and Nova Scotia have taken advantage of the experience of older countries to a degree unappreciated in British Columbia. Your Committee cannot too strongly recommend that we in British Columbia do more to get in touch with the information and inspiration to be gained from Eastern leaders of co-operation, both in the Dominion and Provincial services and in the organizations themselves; thorough organization on co-operative lines will do much, and in the opinion of your Committee, is necessary, to place the industry on a sound and successful basis.

THE EVAPORATED APPLE INDUSTRY

At present, British Columbia makes practically no evaporated apples, vinegar, cider or other by-products of the apple orchard. The greater part of our supply comes from Ontario and Nova Scotia, but it would, undoubtedly, be desirable to develop these by-product industries in British Columbia. When Mr. Foggo received a wire from you, therefore, to secure, if possible, a greater protection on evaporated apples, your Committee investigated the situation in the East and approached the Ontario men to secure their support.

At the present time the Canadian duty against United States evaporated apples is 25 per cent. ad valorem, which, on an average value of 7 cents a pound amounts to 1 $\frac{3}{4}$ cents; United States duty against Canadian evaporated stock is 2 cents a pound specific duty. To secure a change from 25 per cent. to a 2-cent basis would be some protection, especially in such a year as 1912, when the average value for duty purposes was about 5 cents. New processes in evaporating

promise a higher grade article without the corresponding increase in cost.

There are over two hundred apple evaporators in Ontario, but none, so far as known, run on a co-operative basis. In Nova Scotia there are numerous evaporators in the Annapolis Valley, usually contiguous to the fruit packing warehouses.

Your Committee consider that an effort should be made for increased duty on evaporated apples. We learned:

(1) That the returns from fruit supplied to evaporators are small, even where there is a supply sufficient to operate large evaporators year in and year out, usually $\frac{1}{2}$ cent a pound.

(2) That small packages from one pound to three pounds, such as would sell at 10 cents to 25 cents in the grocery store, are being experimented with and in the United States have already created a demand. We consider these very likely to return better results in British Columbia than the ordinary 50-pound bulk package.

(3) Extra high quality would be absolutely essential to making this product pay the grower and the manufacturer.

(4) Advertising the fancy product would be necessary to secure a remunerative market.

Investigation to determine the type of evaporator most suited to our conditions should be made.

DOMINION CANNERS

Much detailed information was got from Messrs. Marshall, Limited and Thompson with regard to canneries, prices paid in different districts for raw materials, etc., etc. The Dominion Canners appeared to be much interested in the Province, and it appears likely that they will largely extend their operations within the Province.

EVIDENCE OF ONTARIO AND NOVA SCOTIA WITNESSES

Evidence of the condition of the fruit industry in Nova Scotia and in Ontario was given before the Agricultural Committee of the House by Mr. S. B. Chute, the manager of the United Fruit Companies of Nova Scotia, and by Mr. Dan Johnson, manager of the Forest Fruit Growers' Association and an ex-President of the Fruit Growers' Association of Ontario.

Mr. Chute's evidence emphasizes particularly the benefits of an increased degree of co-operation in the purchase of

supplies and in the marketing of Nova Scotia fruit. With regard to Western markets, his evidence dealt almost altogether with the question of freight rates and service from Nova Scotia to Prairie points.

Mr. Chute made a slight reference to the difficulties of marketing their Gravensteins against low-priced American fruit, but not having been on the ground himself, apparently, he did not realize the great difficulty that this dumping had actually imposed on their organization. Mr. Adams, their Secretary, who was more in touch with the details of the Western market by reason of a visit there, was very keen on this subject, finding the low prices quoted on Western American fruit the greatest obstacle to profitable sales. They found their market in the West curtailed tremendously; in fact, Nova Scotia shipments declined this year to 33,000 barrels, as against nearly 300,000 a year ago.

Mr. Johnson's evidence barely touched the dumping evil, principally because he ships but very little soft fruit, and his apples go mainly to Great Britain.

Your Committee was aware that our great evil, the dumping of consigned American fruit, had been a serious detriment to both Nova Scotia and Ontario, but the evidence of their witnesses practically ignored the matter.

We believe that, had our three witnesses got together on their evidence before the Committee's hearings, a tremendous amount of good would have been accomplished; as it was, we were handicapped because of lack of co-ordination and mutual co-operation on essential points.

When fruit growers of different sections go to Ottawa, they must content themselves with those aspects of the case which have a bearing on the whole industry. With such a case, action may be secured through the Dominion Government, but where various witnesses indicate their salvation along radically different lines, the Agricultural Committee can only conclude that there is no scope for a national measure for the benefit of the entire industry.

Both in the Agricultural Committee and in our interviews with individual members, and with the Ministers, we were continually being reminded that the other witnesses found their salvation in co-operation, which they could work out for themselves, and in freight rates and service, for which there was the Railway Commission. We found no other obstacle as great as this one.

CO-OPERATION WITH NOVA SCOTIA AND ONTARIO FRUIT GROWERS

The Dominion conferences have done something to bring all our fruit growers into closer touch and have done something to forward measures of importance to all; but the members of your Committee are convinced that a great deal more remains to be done, and can be done only by a closer understanding, the result of business sessions on some central points. Undoubtedly, we have mutual interests, the greatest of which is, perhaps, the protection of the Canadian market for our own product. Next to this, must be rated the importance of such legislation for the control of the industry as will be most helpful in protecting our market against our own dishonesty or lack of common standards, but we are doing very little to forward these ends.

Now is perhaps as favorable a time as we are likely to have to get together with Nova Scotia and Ontario fruit growers on the question of protection. This has been a year of low prices due to large crops, not so much in Canada as in the United States; we have had a very good example of the depression our industry would suffer under Free Trade. There has been much progress made towards the protection idea.

We consider this a most opportune time to urge a higher protection against dumped American fruits.

The Ontario Fruit Growers' Association has passed a resolution along these lines and its Executive promised your Secretary the heartiest degree of co-operation and support. In Nova Scotia we are assured of the co-operation of the marketing organizations. Under such circumstances, we consider the time ripe for a meeting of the National Fruit Growers' Association, which was launched at the last Dominion Conference.

Membership in this Association consists of the President, Vice-President and Secretary of each Provincial Association; the chief fruit man of each Provincial Department of Agriculture; the Dominion Commissioner; the Federal Minister and Deputy Minister, ex-officio, and such other members as are recommended by the Executive and elected to membership in the Association.

A meeting of this membership should take place as early as possible, not later than June, and most suitably at Ottawa. The Dominion Minister of Agriculture should be requested to provide funds for this meeting and the remuneration of the officers for the time required.

Resolutions to secure an early meeting of this Association and a grant from the Federal Government to promote its work should be adopted and urged immediately. With this organization in shape a much greater degree of unanimity can be promoted among fruit growers the Dominion over, greatly to the benefit of all concerned.

DOMINION CONFERENCE

Your Committee is impressed with the necessity for a further Dominion Conference as soon as the National Fruit Growers' Association have got matters in shape for consideration before this body.

We understand it is intended to promote a National Conference of Fruit Growers. Your Committee suggest that this Conference be held next February at Vancouver, and that this Association labor in the meantime towards a united and unanimous stand by the fruit growers of the different Provinces.

FEDERAL LEGISLATION

Your Committee considers that Federal legislation in the near future may be secured by united effort along three principal lines. The first is undoubtedly that of the tariff. We believe duties on all kinds of tender fruits can be raised sufficiently for the period during which our fruits are on the markets to give our growers a reasonable chance to compete against the slaughter-priced article. Your Committee also believe that it is not impossible to secure a revision of the tariff on apples, raising the duty from 40 cents to 75 cents a barrel, or from 13 cents to 25 cents a box.

Quarantine legislation affects all parts of the Dominion and interests fruit growers vitally. United effort may secure much.

The Fruit Marks Act and its enforcement represent a very great field of effort, not only in establishing correct standards for our own products but in securing fair competition in the same respects from our American competitors. The Fruit Marks Act alone makes it advisable that we should keep in touch with the Dominion Government more than we have done.

Your Committee is glad to report that to a considerable extent all three fruit-producing Provinces appear to be in harmony on proposed amendments to the various grades, and we hope that with occasional meetings and conferences between the officers of our Associations much can be done

to justify the existence of the National Fruit Growers' Association.

Your Committee hope that, even under the difficult circumstances obtaining this year, tangible results will be secured from the Dominion Government. They consider that under more fortunate circumstances and with the united representations of all fruit growers, action could be taken on the tariff and on other matters much along the lines we are at present advocating.

Re AGRICULTURAL COMMITTEE OF THE HOUSE OF COMMONS

The members of your Committee, and particularly Mr. Abriel, urged on the Committee the desirability in future of having the fruit growing witnesses present at the same time and of their being given time to confer before their testimony is presented. The members of the Committee are favorably disposed towards this course, as is Mr. Burrell. The necessity for co-operation was impressed on Nova Scotia and Ontario men, particularly on Messrs. Chute and Johnson and on the Executives of the Ontario and Nova Scotia Fruit Growers' Associations. As a result, we feel fairly certain that witnesses on the fruit industry will be called every session and will be given opportunity to confer before the hearings commence.

RECOMMENDATIONS Re LEGISLATIVE COMMITTEE

This being the first year of the operations of the Committee, much of the work was largely preliminary, and your Committee considers the information and the experience acquired by the visit to Ottawa and the discussions with Ontario and Nova Scotia men to have been of great importance in laying the foundation for future usefulness.

We consider that your Committee must, in its representations to the Dominion Government:—

(1) Work in harmony with similar Committees of other Associations or must, at least, be supported by resolutions of these other Associations for the measures it advocates. Absence of such support greatly weakened our case this year; it was used against us at every turn, and your Committee had to show that the other witnesses were not as fully acquainted with their own conditions as we were.

(2) The Legislative Committee should be present at Ottawa during the session in connection with the Agricultural

Committee's hearings and for the purpose of meeting the various members, to make them acquainted with our requirements and to keep before the Ministers the measures we are advocating.

(3) The Committee should, however, be present at Ottawa outside the time of session in order to meet the Ministers and the Departmental men during a period of less pressure.

DOMINION EXPRESS MATTERS

Mr. Abriel and Mr. Winslow interviewed Mr. Drayton, Chairman of the Railway Commission, and also Mr. A. S. Goodeve, of Rossland, one of the members, in a more or less personal way with respect to the express business.

On this matter your Committee will report fully to the Transportation Committee, so that whatever possible action can be taken may be handled by that Committee.

THE NOVA SCOTIA APPLE INDUSTRY AND ITS MARKETING ORGANIZATION

As decided by the members of the Committee and confirmed by Mr. W. E. Scott, Mr. Winslow visited the Annapolis Valley of Nova Scotia for the purpose of gathering information on the situation there, and also of enlisting their co-operation with us and with Ontario and British Columbia in protecting Canadian markets.

Mr. Winslow was fortunate in meeting many of the principal men, and had exceptional opportunity to learn of the situation there from as many viewpoints. Among those interviewed might be mentioned: Professor M. Cumming, Deputy Minister of Agriculture and Principal of the Nova Scotia Agricultural College; W. S. Blair, Superintendent of the Kentville Experimental Farm and Horticulturist for the Valley; Professor P. Shaw, Horticulturist of the Agricultural College; G. H. Vroom, the veteran Dominion Fruit Inspector for Nova Scotia; S. B. Chute, Manager of the United Fruit Companies; A. E. Adams, the Secretary-Treasurer of the latter organization; John Donaldson, its President; A. E. McMahon, their Chief Inspector, and F. E. Mason and T. H. Morris, members of the Executive; also S. B. Parker, President of the Nova Scotia Fruit Growers' Association, and Manning Ells, the Secretary, as well as other fruit growers, packers and shippers.

The production is steadily increasing and for the last ten years the exports have averaged over 400,000 barrels;

1911 surpassed all records, 1,800,000 barrels being shipped; this year was comparatively light, total shipments aggregating 900,000 barrels. Fruit growers confidently expect to see an average export for the next five years of about a million barrels, and this I would consider quite possible. Exports are very largely to England; to a slight extent to the large cities of the United States Atlantic sea ports and to an increasing extent to Montreal, Winnipeg, and the Canadian Prairies. The Baldwin is the first apple in point of production; it is followed by King, Spy, Nonpareil, Ben Davis, Russet and Gravenstein.

The average yield per acre on a well-established orchard is between 80 and 100 barrels. The price of all apples in 1912—Nos. 1 and 2—was \$2.00 per barrel (of 130 pounds); No. 3 averaged 95 cents a barrel. Stock turned into evaporators brought 35 cents to 40 cents a barrel, while that to vinegar factories brought 25 cents.

While the prices indicated seem rather low, the low cost of land, which runs from \$30.00 to \$100.00 an acre ready for planting, and from \$150.00 to \$350.00 an acre for bearing orchard, together with the low cost of production and of handling, make it possible to sell at a comparatively small f.o.b. price.

There is no cold storage in the Valley and no provision for pre-cooling, which would be more or less useful on their Gravensteins, which are about 10 per cent. of the apple crop.

MARKETING METHODS

Up to and including 1906 the crop was handled almost altogether by buying farms and commission houses, which exported to Great Britain. In 1907, Mr. John N. Chute of Berwick, with some others, formed an Association and marketed their own. The low prices paid by speculators made very favorable results possible. The organization was immediately successful and, in consequence, the Legislature in 1908 prepared the necessary Act for the formation of regular co-operative organizations, and in 1909 ten companies were formed and doing business, usually on consignment to auction firms and commission houses in Great Britain. In 1910 twenty-two such Associations were working, without co-operating, however, and in consequence were played one against the other by the speculator buyers, who were, of course, resisting the progress of the co-operative idea. In 1911, Mr. S. B. Chute was the leader in the formation of a tentative selling agency, which, despite lack of capital, opposition and extremely poor support, was able to do some good work. Largely on Mr. Chute's own responsibility, they chartered

boats to handle the tremendous crop, brought in labor for harvesting from Halifax and from the fishing districts; secured improvements in the refrigerator cars supplied for cold-weather shipments; secured a steamship subsidy from the port of Annapolis; bought \$41,000.00 worth of fertilizer, and in other respects besides the marketing of the fruit, effected great savings for the people.

The idea of a Central Agency once proven, legislation was secured by the Association of 1912 to permit any ten or more farmers' organizations to unite together to form a central organization and to subscribe for the stock of the same with their assets. The Act required that each subsidiary Company should subscribe for an amount of the stock of the capital Company equal to 20 per cent. of its own authorized capital. No call has yet been made for payment on account of this stock, the central so far operating entirely on savings out of the charge made for handling.

This year the United Fruit Company is handling about 400,000 barrels; is purchasing supplies including \$100,000.00 worth of fertilizer, barrels, nails, spray materials, spraying machinery, etc., which will make a total turn-over this year of around one million dollars. This is being done on extremely small expense. The total cost of the Company's services to the fruit grower is less than 3 cents a barrel.

This Central Selling Agency has put an entirely different face on the fruit marketing business in Nova Scotia. It is saving \$15,000.00 to the growers in its purchase of \$100,000.00 worth of fertilizer; is selling lime sulphur at \$6.90 a barrel, including the barrel; arsenate of lead (neutral) at \$7.62 per 100 lbs.; California-made spray machinery, apparently cheaper than it can be purchased in British Columbia; has cut down the Atlantic service from 15½ days on the average to 10½ days; is making big savings on flour, feed, seeds and barrels and, not least of all, has increased by a large percentage the return to the growers for their fruit. It has increased the reputation of Nova Scotia fruit tremendously by standardizing the pack and raising the standard, and moreover, it has already done much to bring the fruit growers together in one strong and united organization.

Much information in detail on the matters covered by above headings was collected by your Committee and has been filed by Mr. Winslow for future use.

Respectfully submitted,

(Signed) W. S. FOGGO.

THOS. ABRIEL.